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ZNR UUUUU ZZH
P 190800Z AUG 08
FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC PRIORITY 6691
INFO RUEHFK/AMCONSUL FUKUOKA PRIORITY 9466
RUEHNAG/AMCONSUL NAGOYA PRIORITY 7617
RUEHNH/AMCONSUL NAHA PRIORITY 1828
RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 3205
RUEHKS/AMCONSUL SAPPORO PRIORITY 0046
RUEATRS/TREASURY DEPT WASHDC PRIORITY
RUEHBS/USEU BRUSSELS PRIORITY
RUCPDO/DEPT OF COMMERCE WASHINGTON DC PRIORITY
RUEHUB/USINT HAVANA PRIORITY 0025

UNCLAS TOKYO 002286

SENSITIVE
SIPDIS

FOR EAP/J AND WHA/CCA

E.O. 12958: N/A
TAGS: [ETRD](#) [EINV](#) [EWWT](#) [PREL](#) [CU](#) [JA](#)
SUBJECT: JAPAN SUSPENSION OF INSURANCE FOR CUBA-BOUND
EXPORTS

SENSITIVE BUT UNCLASSIFIED NOT FOR INTERNET

11. (SBU) Japan's top economic newspaper reported August 19 that Nippon Export and Investment Insurance (NEXI), the GOJ-backed provider of international trade insurance, stopped accepting applications for trade insurance on deals with Cuba, prompting speculation about the future of Japan's Cuba-bound exports. Ministry of Economy, Trade and Industry (METI) officials, however, told Econoff there has been no final decision and the GOJ is working with Cuban Central Bank officials to resolve the matter.

12. (SBU) The Central Bank of Cuba informed NEXI in early August it was unable to make timely payment on recent imports from Japan due to a shortage of foreign exchange, according to the Nikkei newspaper. NEXI subsequently announced it has downgraded Cuba's Central Bank to a status where it no longer qualifies for new export insurance. According to the Japan External Trade Organization (JETRO) website, Japan exports to Cuba in 2007 totalled \$176.5 million, up from \$127.9 million in 2006. Japanese exports to Cuba are mainly medical supplies and precision machinery.

13. (SBU) NEXI is supervised by METI. A responsible METI official confirmed to Embassy the basic substance of the Nikkei report but said "we have not decided to suspend underwriting trade insurance for exports to Cuba." GOJ officials, he added, are working diligently to resolve the problem and the official hopes to provide the Embassy with more information early next week.
SCHIEFFER